

## EXHIBIT A

### LETTERS OF CREDIT AND REIMBURSEMENT AGREEMENTS



PAGE: 1

DATE: OCTOBER 17, 2000

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: 7404289

**BENEFICIARY**  
NATIONAL UNION FIRE INSURANCE CO.  
OF PITTSBURGH, PA  
AMERICAN HOME ASSURANCE COMPANY  
THE INSURANCE COMPANY OF THE STATE

**APPLICANT**  
W.R. GRACE & CO. - CONN  
7500 GRACE DRIVE  
COLUMBIA, MD 21044

~~OR PENNSYLVANIA:~~  
COMMERCE AND INDUSTRY INSURANCE  
COMPANY  
AIU INSURANCE COMPANY  
  
BIRMINGHAM FIRE INSURANCE COMPANY  
OF PENNSYLVANIA  
ILLINOIS NATIONAL INSURANCE COMPANY  
AMERICAN INTERNATIONAL SOUTH  
  
INSURANCE COMPANY  
NATIONAL UNION FIRE INSURANCE  
COMPANY OF LOUISIANA  
AMERICAN INTERNATIONAL PACIFIC  
  
INSURANCE COMPANY  
GRANITE STATE INSURANCE COMPANY  
NEW HAMPSHIRE INSURANCE COMPANY  
LANDMARK INSURANCE COMPANY,

AND ANY OTHER AFFILIATE OF ANY OF  
THESE, AS THEIR INTERESTS MAY  
APPEAR  
P.O. BOX 923

WALL STREET STATION  
NEW YORK, N.Y. 10268  
ATTN: MR. ART STILLWELL

**AMOUNT**  
USD 10,439,830.00  
TEN MILLION FOUR HUNDRED THIRTY NINE  
THOUSAND EIGHT HUNDRED THIRTY AND  
00/100'S US DOLLARS

**EXPIRATION**  
OCTOBER 17, 2001 AT OUR COUNTERS

WE HEREBY ESTABLISH THIS IRREVOCABLE LETTER OF CREDIT IN FAVOR OF THE  
AFORESAID ADDRESSEE ("BENEFICIARY") FOR DRAWINGS UP TO UNITED STATES  
DOLLARS 10,439,830.00 (TEN MILLION FOUR HUNDRED THIRTY NINE THOUSAND  
EIGHT HUNDRED THIRTY AND 00/100'S UNITED STATES DOLLARS) EFFECTIVE  
IMMEDIATELY. THIS LETTER OF CREDIT IS ISSUED, PRESENTABLE AND PAYABLE  
AT OUR OFFICE AT 231 S. LA SALLE STREET, CHICAGO, ILLINOIS 60697,  
ATTENTION: STANDBY L/C DEPT., MAIL CODE: ILL-231-17-00 AND EXPIRES  
WITH OUR CLOSE OF BUSINESS ON OCTOBER 17, 2001.

THE TERM "BENEFICIARY" INCLUDES ANY SUCCESSOR BY OPERATION OF LAW OF  
THE NAMED BENEFICIARY, INCLUDING, WITHOUT LIMITATION, ANY LIQUIDATOR,  
REHABILITATOR, RECEIVER OR CONSERVATOR.

WE HEREBY UNDERTAKE TO PROMPTLY HONOR YOUR SIGHT DRAFT(S) DRAWN ON  
US, INDICATING OUR CREDIT NUMBER 7404289, FOR ALL OR ANY PART OF THIS  
CREDIT IF PRESENTED AT OUR OFFICE SPECIFIED IN PARAGRAPH ONE ON OR  
BEFORE THE EXPIRY DATE OR ANY AUTOMATICALLY EXTENDED EXPIRY DATE.

Bank of America, N.A. Trade Operations  
Mail Stop 161, 231 S. La Salle  
231 S. La Salle Street, 17th Floor, Chicago, IL 60697  
©2000 Bank of America, N.A.

COPY



**Bank of America**

PAGE: 2

THIS IS AN INTEGRAL PART OF LETTER OF CREDIT NUMBER: 7404289


EXCEPT AS EXPRESSLY STATED HEREIN, THIS UNDERTAKING IS NOT SUBJECT TO ANY AGREEMENT, CONDITION OR QUALIFICATION. THE OBLIGATION OF BANK OF AMERICA N.A. UNDER THIS LETTER OF CREDIT IS THE INDIVIDUAL OBLIGATION OF BANK OF AMERICA N.A., AND IS IN NO WAY CONTINGENT UPON REIMBURSEMENT WITH RESPECT THERETO.

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE DEEMED AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR ONE YEAR FROM THE EXPIRY DATE HEREOF, OR ANY FUTURE EXPIRATION DATE, UNLESS THIRTY DAYS PRIOR TO ANY EXPIRATION DATE WE NOTIFY YOU BY REGISTERED MAIL THAT WE ELECT NOT TO CONSIDER THIS LETTER OF CREDIT RENEWED FOR ANY SUCH ADDITIONAL PERIOD.

THIS LETTER OF CREDIT IS SUBJECT TO AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, AND THE 1993 REVISION OF THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS OF THE INTERNATIONAL CHAMBER OF COMMERCE (PUBLICATION 500) AND, IN THE EVENT OF ANY CONFLICT, THE LAWS OF THE STATE OF NEW YORK WILL CONTROL. IF THIS CREDIT EXPIRES DURING AN INTERRUPTION OF BUSINESS AS DESCRIBED IN ARTICLE 17 OF SAID PUBLICATION 500, THE BANK HEREBY SPECIFICALLY AGREES TO EFFECT PAYMENT IF THIS CREDIT IS DRAWN AGAINST WITHIN THIRTY (30) DAYS AFTER THE RESUMPTION OF BUSINESS.

IF YOU REQUIRE ANY ASSISTANCE OR HAVE ANY QUESTIONS REGARDING THIS TRANSACTION, PLEASE CALL 312-828-7814.

  
AUTHORIZED SIGNATURE

  
AUTHORIZED SIGNATURE

THIS DOCUMENT CONSISTS OF 2 PAGE(S).



For Bank of America Use Only

L/C No. \_\_\_\_\_

Application and Agreement for Standby Letter of Credit  
TO: Bank of America, N.A. ("Bank of America")

## A. Application.

1. W. R. Grace &amp; Co. - Conn

Credit ("Letter of Credit") as follows:

☐ Full text teletype transmission☐ Airmail with brief preliminary teletype transmission advice☐ Airmail☒ Courier

2. Applicant Address:

W.R. Grace &amp; Co. - Conn

7500 Grace Drive

Columbia, MD 21044

410-531-4000

3. For Account of (Name and address, if different from Applicant):

4. Advising Bank:

5. In favor of (Beneficiary Name and Address):

See attached format

6. Amount: TEN MILLION FOUR HUNDRED THIRTY NINE THOUSAND EIGHT HUNDRED ( \$10,439,800 )  
(in words and figures) THIRTY DOLLARS AND 00/100

Currency United States Dollar

Expiration Date: Drafts to be drawn on and presented at Bank of America's Address set forth in the Letter of Credit on or before: OCT-10-01

☐ If this box is marked, Applicant authorizes Bank of America to effect payment of any sums due under this Application and Agreement by means of debiting Applicant's account with Bank of America set forth below. This authorization does not effect the obligation of Applicant to pay such sums when due, if there are insufficient funds in such account to make such payment when due, or if Bank of America fails to debit the account, and this authorization does not affect any setoff rights of Bank of America at law or equity. Applicant's account number with Bank of America is \_\_\_\_\_

7. Available by drafts drawn at sight on Bank of America when accompanied by the following documentation:

1. The original Letter of Credit.

2. The signed statement of the Beneficiary worded as follows (state wording that is to appear in the statement accompanying the draft; Specify if such wording must be exact): See attached format.

8. Special Instructions:

1 - also fax copy of final documents to attn: Ren Lapidario at fax# 410-531-4461

2 - part B of this Application and Agreement for Standby Letter of Credit is amended by the attached "Rider to Application and Agreement for Standby Letter of Credit made by W. R. Grace &amp; Co. - Conn."



**Bank of America** 

06/10/02

Attn: Michael J. McKenney

Fax: 704-366-1759

From: Dale J. Robertson

Fax: 312-974-0142

PAGE: 1

DATE: JULY 31, 2000

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: 7403968

BENEFICIARY  
 NATIONAL UNION FIRE INSURANCE CO.  
 OF PITTSBURGH, PA  
 AMERICAN HOME ASSURANCE COMPANY  
 THE INSURANCE COMPANY OF THE STATE

OF PENNSYLVANIA  
 COMMERCE AND INDUSTRY INSURANCE  
 COMPANY  
 AIU INSURANCE COMPANY

BIRMINGHAM FIRE INSURANCE COMPANY  
 OF PENNSYLVANIA  
 ILLINOIS NATIONAL INSURANCE COMPANY  
 AMERICAN INTERNATIONAL SOUTH

INSURANCE COMPANY  
 NATIONAL UNION FIRE INSURANCE  
 COMPANY OF LOUISIANA  
 AMERICAN INTERNATIONAL PACIFIC

INSURANCE COMPANY  
 GRANITE STATE INSURANCE COMPANY  
 NEW HAMPSHIRE INSURANCE COMPANY  
 LANDMARK INSURANCE COMPANY

AND ANY OTHER AFFILIATE OF ANY OF  
 THESE, AS THEIR INTERESTS MAY  
 APPEAR  
 P.O. BOX 923

WALL STREET STATION  
 NEW YORK, NY 10268  
 ATTN: MR. ART STILLWELL

APPLICANT

W.R. GRACE AND COMPANY  
 7500 GRACE DRIVE  
 COLUMBIA, MD 21044

## AMOUNT

USD 2,190,000.00  
 TWO MILLION ONE HUNDRED NINETY  
 THOUSAND AND 00/100'S US DOLLARS

## EXPIRATION

JULY 31, 2001 AT OUR COUNTERS

WE HEREBY ESTABLISH THIS IRREVOCABLE LETTER OF CREDIT NO. 7403968 IN FAVOR OF THE AFORESAID ADDRESSEE ("BENEFICIARY") FOR DRAWINGS UP TO UNITED STATES DOLLARS USD 2,190,000.00 (TWO MILLION ONE HUNDRED NINETY THOUSAND AND NO/100 UNITED STATES DOLLARS) EFFECTIVE IMMEDIATELY. THIS LETTER OF CREDIT IS ISSUED, PRESENTABLE AND PAYABLE AT OUR OFFICE AT 231 S. LASALLE STREET, CHICAGO, ILLINOIS 60697, MAIL CODE: 111-231-17-00 AND EXPIRES WITH OUR CLOSE OF BUSINESS ON JULY 31, 2001.

THE TERM "BENEFICIARY" INCLUDES ANY SUCCESSOR BY OPERATION OF LAW OF THE NAMED BENEFICIARY, INCLUDING, WITHOUT LIMITATION, ANY LIQUIDATOR, REHABILITATOR, RECEIVER OR CONSERVATOR.

WE HEREBY UNDERTAKE TO DULY HONOR YOUR SIGHT DRAFT(S) DRAWN ON US, INDICATING OUR CREDIT NUMBER 7403968, FOR ALL OR ANY PART OF THIS CREDIT IF PRESENTED AT OUR OFFICE SPECIFIED IN PARAGRAPH ONE ON OR

**Bank of America**

PAGE: 2

THIS IS AN INTEGRAL PART OF LETTER OF CREDIT NUMBER: 7403968


BEFORE THE EXPIRY DATE OR ANY AUTOMATICALLY EXTENDED EXPIRY DATE.

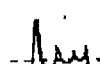
EXCEPT AS EXPRESSLY STATED HEREIN, THIS UNDERTAKING IS NOT SUBJECT TO ANY AGREEMENT, CONDITION OR QUALIFICATION. THE OBLIGATION OF BANK OF AMERICA N.A. UNDER THIS LETTER OF CREDIT IS THE INDIVIDUAL OBLIGATION OF BANK OF AMERICA N.A., AND IS IN NO WAY CONTINGENT UPON REIMBURSEMENT WITH RESPECT THERETO.

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE DEEMED AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR ONE YEAR FROM THE EXPIRY DATE HEREOF, OR ANY FUTURE EXPIRATION DATE, UNLESS AT LEAST THIRTY DAYS PRIOR TO ANY EXPIRATION DATE WE NOTIFY YOU BY REGISTERED MAIL OR COURIER THAT WE ELECT NOT TO CONSIDER THIS LETTER OF CREDIT RENEWED FOR ANY SUCH ADDITIONAL PERIOD.

THIS LETTER OF CREDIT IS SUBJECT TO AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, AND THE 1993 REVISION OF THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS OF THE INTERNATIONAL CHAMBER OF COMMERCE (PUBLICATION NO. 500) AND, IN THE EVENT OF ANY CONFLICT, THE LAWS OF THE STATE OF NEW YORK WILL CONTROL. IF THIS CREDIT EXPIRES DURING AN INTERRUPTION OF BUSINESS AS DESCRIBED IN ARTICLE 17 OF SAID PUBLICATION 500, THE BANK HEREBY SPECIFICALLY AGREES TO EFFECT PAYMENT IF THIS CREDIT IS DRAWN AGAINST WITHIN THIRTY (30) DAYS AFTER THE RESUMPTION OF BUSINESS.

IF YOU REQUIRE ANY ASSISTANCE OR HAVE ANY QUESTIONS REGARDING THIS TRANSACTION, PLEASE CALL 312-923-5885.

  
-----  
AUTHORIZED SIGNATURE

  
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AUTHORIZED SIGNATURE

THIS DOCUMENT CONSISTS OF 2 PAGE(S).



For Bank of America Use Only  
L/C No. \_\_\_\_\_

Application and Agreement for Standby Letter of Credit  
TO: Bank of America, N.A. ("Bank of America")

**A. Application.**

1. W. R. Grace & Co. - Conn ("Applicant") requests Bank of America to issue an irrevocable standby letter of Credit ("Letter of Credit") as follows:  
☐ Full text teletransmission    ☐ Airmail with brief preliminary teletransmission advice    ☐ Airmail    ☒ Courier

2. Applicant Address: W.R. Grace & Co. - Conn  
7500 Grace Drive  
Columbia, MD 21044  
410-531-4000

3. For Account of (Name and address, if different from Applicant): \_\_\_\_\_

4. Advising Bank: \_\_\_\_\_

5. In favor of (Beneficiary Name and Address):  
AIG  
PO Box 923  
Wall Street Station  
NYC, NY 10258  
attn: Art Sillwell

6. Amount: TWO MILLION ONE HUNDRED AND NINETY THOUSAND DOLLARS ( \$2,190,000 )  
(in words and figures)

Currency: United States Dollar

Expiration Date, Drafts to be drawn on and presented at Bank of America's Address set forth in the Letter of Credit on or before: JUL 31, 2001

☐ If this box is marked, Applicant authorizes Bank of America to effect payment of any sums due under this Application and Agreement by means of debiting Applicant's account with Bank of America set forth below. This authorization does not effect the obligation of Applicant to pay such sums when due, if there are insufficient funds in such account to make such payment when due, or if Bank of America fails to debit the account, and this authorization does not affect any setoff rights of Bank of America at law or equity. Applicant's account number with Bank of America is \_\_\_\_\_

7. Available by drafts drawn at sight on Bank of America when accompanied by the following documentation:  
1. The original Letter of Credit.  
2. The signed statement of the Beneficiary worded as follows (same wording that is to appear in the statement accompanying the draft; Specify if such wording must be exact): SEE ATTACHED

**B. Special Instructions:**  
1 - also fax copy of final documents to attn: Martin Hunter at fax# 410-531-4461  
2 - part B of this Application and Agreement for Standby Letter of Credit is amended by the attached "Rider to Application and Agreement for Standby Letter of Credit made by W. R. Grace & Co. - Conn."



**B. Agreement.**

In consideration of Bank of America's issuing the Letter of Credit at the request of Applicant, Applicant agrees to the following:

**1. Applicant Payments.**

(a) Applicant shall pay Bank of America, on demand, all amounts paid by Bank of America under or in respect of the Letter of Credit.

(b) On each due payment date, so long as any undrawn amount of the Letter of Credit remains available, Applicant shall pay Bank of America a Letter of Credit fee. The fee payment (which) shall be the fee payable by Applicant and Bank of America may agree, or in the absence of such agreement, the fee payment shall be the fee on which the Bank of America issues the Letter of Credit. This fee shall be at such rate per annum as Applicant and Bank of America may agree, or in the absence of such agreement, at the rate customarily charged by Bank of America at the time such fee is payable, based upon Applicant's creditworthiness, as determined by Bank of America in its sole discretion. The applicable Letter of Credit fee shall be calculated and payable on the undrawn amount of the Letter of Credit as of each fee payment date and shall be for the period commencing on such fee payment date and ending on the day preceding the next fee payment date (or the expiration date of the Letter of Credit, as the case may be), both dates inclusive. The Letter of Credit fee will be computed on the basis of a 360-day year and actual days elapsed. Bank of America shall not be required to refund any portion of the Letter of Credit fee paid for any period during which (a) the Letter of Credit expires or otherwise terminates, or (b) the undrawn amount of the Letter of Credit is reduced by drawings or by amendment.

(c) Applicant shall pay Bank of America, on demand, commissions and fees for amendments to payments under, extension or cancellation of the Letter of Credit, and shall pay fees in the amounts Applicant and Bank of America may agree, or, in the absence of such agreement, the amounts customarily charged by Bank of America on the date of Bank of America's demand.

(d) All payments and deposits by Applicant under this Application and Agreement shall be made at the banking center or office of Bank of America may designate from time to time. Bank of America shall have no obligation to pay Applicant interest on any deposit made by Applicant under this Application and Agreement.

(e) (i) All payments and deposits by Applicant under this Application and Agreement shall be in the currency in which the Letter of Credit is payable, except that Bank of America may, at its option, require payments and deposits by Applicant under this Application and Agreement to be made in U.S. Dollars if the Letter of Credit is payable in a foreign currency.

(ii) The amount of such payment and each deposit by Applicant under this Application and Agreement in U.S. Dollars for a Letter of Credit payable in a foreign currency shall be determined by converting the relevant amount in U.S. Dollars at the Conversion Rate in effect.

(A) with respect to each payment under Section 1(a) of this Agreement, on the date the payment is made by Bank of America under or in respect of the Letter of Credit and

(B) with respect to each payment not falling under the preceding clause (A) and each deposit, on the date of Bank of America's demand for such payment or deposit.

(f) If a U.S. Dollar deposit by Applicant under this Application and Agreement for a Letter of Credit payable in a foreign currency becomes less than the U.S. Dollar equivalent of the undrawn amount of the Letter of Credit because of any variation in rates of exchange, Applicant shall deposit with Bank of America, on demand, additional amounts in U.S. Dollars so that the total amount deposited by Applicant under this Application and Agreement is at least the U.S. Dollar equivalent of the undrawn amount of the Letter of Credit, determined by using the Conversion Rate on the date of Bank of America's latest demand.

(g) "Conversion Rate" means the rate quoted by Bank of America for the purchase from Bank of America of the relevant foreign currency with U.S. Dollars.

(h) Applicant shall reimburse or compensate Bank of America, on demand, for all losses (including, but not limited to, losses suffered and payments made by Bank of America, which are applied or accepted by Bank of America, the Letter of Credit (as determined by rates of exchange), by reason of any and all present or future reserves, capital, profit, accumulation or other requirements against (or against any part of or change in or in the amount of) assets or liabilities, or commitments or extensions of credit by, Bank of America.

(i) Applicant shall pay interest, on demand, on any amount paid and when due under this Application and Agreement from the due date until payment in full at a rate per annum equal to the rate of interest publicly announced from time to time by Bank of America as its prime rate, plus three percentage points (not to exceed the maximum rate permitted by applicable law). The prime rate level by Bank of America based on various factors, including Bank of America's cost and credit risk, general economic conditions and other factors, and is used as a reference point for pricing some credits. Bank of America may, at its option, advance or reduce the prime rate. Any change in Bank of America's prime rate shall take effect at the opening of business on the day specified in Bank of America's public announcement of a change in Bank of America's prime rate. Interest will be computed on the basis of a 360-day year and actual days elapsed.

(j) "Business Events." Upon the occurrence of any of the following events, Applicant shall deposit with Bank of America, on demand (except that such demand shall not be required in the event of an occurrence described in (b) below), an amount equal to the undrawn amount of the Letter of Credit under this Application and Agreement, an amount equal to the undrawn amount of the Letter of Credit.

(a) Applicant defaults under any provision of this Application and Agreement;

(b) Any bankruptcy or similar proceeding is commenced with respect to Applicant;

(c) Any default occurs under any other agreement involving the borrowing of money or the extension of credit under which Applicant may be obligated as borrower, indentured obligor or guarantor, if such default consists of the failure to pay any indebtedness when due or if such default proves or causes the acceleration of any indebtedness or the institution of any proceeding to liquidate or reorganize the obligor;

(d) Applicant or any of its affiliates defaults on any other obligation to Bank of America;

(e) In the opinion of Bank of America, any material adverse change occurs in Applicant's business, operations, financial condition or ability to perform its obligations under this Application and Agreement;

(f) Any guarantee of Applicant's obligations under this Application and Agreement is revoked or the validity is contested by the guarantor, or any of the terms set forth in (B) through (E) above occur with respect to the guarantor or the Applicant; or

(g) Any court order, injunction or other legal process is issued restraining or seeking to restrain drawing or payment under the Letter of Credit.

3. **Change to Accounts.** If Bank of America is unable to debit the account, if any, specified on the Application, Applicant authorizes Bank of America to charge any of Applicant's accounts with Bank of America, or any all Bank of America, for all amounts then due and payable to Bank of America under this Application and Agreement.

**4. Indemnification.**

(a) Applicant will indemnify and hold Bank of America (such term to include for purposes of this Section a subsidiary of Bank of America and its and its affiliates, officers, directors, employees and agents) harmless from and against (i) all loss or damage arising out of the issuance by Bank of America of, or any other instrument issued by any such indemnified party in connection with, the Letter of Credit including any loss or damage arising in whole or in part from the negligence of the party seeking indemnification, but including any loss or damage resulting from the gross negligence or willful misconduct of the party seeking indemnification, and (ii) all costs and expenses (including reasonable attorneys' fees and disbursements of outside counsel and legal expenses) of all claims or legal proceedings arising out of the issuance by Bank of America of the Letter of Credit or from the collection of amounts owed by Applicant hereunder or the enforcement of the rights of Bank of America hereunder, including, without limitation, legal proceedings related to any court order, injunction, or other process or decree restraining or seeking to restrain Bank of America from paying any amount under the Letter of Credit. Additionally, Applicant will indemnify and hold Bank of America

harmless from and against all claims, losses, damages, suits, costs or expenses (including reasonable attorneys' fees and disbursements of outside counsel and legal expenses) arising out of Applicant's failure to timely provide licenses or comply with applicable laws, regulations or rules, or any other conduct or failure of Applicant relating to or affecting the Letter of Credit.

(b) If any award, judgment or order is given or made for the payment of any amount due under this Application and Agreement and such award, judgment or order is superseded in a currency other than the currency required under this Application and Agreement, Applicant shall indemnify Bank of America against and hold Bank of America harmless from all loss and damage incurred by Bank of America as a result of any variation in rates of exchange between the date of such award, judgment or order and the date of payment for, in the case of partial payments, the date of each partial payment (drawn) in the required currency.

(c) Each of these indemnities shall constitute an obligation separate and independent from the other obligations contained in this Application and Agreement, and shall give rise to a separate and independent cause of action, shall apply irrespective of any indorsement granted by Bank of America from time to time, and shall continue in full force and effect notwithstanding any award, judgment or order for a liquidated sum in respect of an amount due under this Application and Agreement.

5. **Governing Law and Rules.** The Letter of Credit will be subject to, and performance under the Letter of Credit by Bank of America, in correspondence, and the beneficiary will be governed by, the rules of the "International Standard Practices 1907" ("ISP90") of such law revision as may be published by the Institute of International Banking Law & Practice, subject to applicable laws. The Letter of Credit and this Application and Agreement shall be governed by and construed under the laws of the state in the United States where Bank of America issues the Letter of Credit, without reference to that state's provisions regarding conflicts of law, to the jurisdiction of which the parties hereto submit. If the Letter of Credit is not issued in any state, the law of the State of California will govern.

6. **Applicant Status.** The word "Applicant" in this Application and Agreement refers to each signer (other than Bank of America) of this Application and Agreement. This Application and Agreement is signed by more than one Applicant, but obligations under this Application and Agreement shall be joint and several.

7. **Representations and Warranties.** Applicant represents and warrants to Bank of America that it has the authority to execute this Application and Agreement and it will not violate or conflict with any of the provisions of its constituent documents or any other agreement or understanding to which it is a party or to which it is bound.

**8. Miscellaneous.**

(a) No delay, extension of time, renewal, compromise or other indulgence which may occur or be granted by Bank of America shall impair the rights and powers of Bank of America hereunder. Bank of America shall not be deemed to have waived any of its rights hereunder, unless Bank of America shall have signed such waiver in writing.

(b) Any notice from Bank of America to Applicant shall be sent to the address of Applicant set forth on the Application and shall be effective upon receipt by Applicant. Any notice from Applicant to Bank of America shall be sent to the address of Bank of America specified by Bank of America to Applicant and shall be effective upon receipt by Bank of America.

(c) Each provision of this Application and Agreement shall be interpreted in such manner as to be effective and valid under applicable law but if any provision of this Application and Agreement shall be prohibited by or invalid under applicable law, such provision shall be unenforceable only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Application and Agreement.

(d) Any and all payments made to Bank of America hereunder shall be made free and clear of and without deduction (by any present or future taxes, levies, imposts, deductions, charges or withholdings, and all expenses with respect thereto including amounts of franchise taxes imposed by the United States and any political subdivisions thereof (such taxes and levies being herein called "Taxes"). If Applicant shall be required by law to deduct any Taxes from or in payment of any sum payable hereunder, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section (d)), Bank of America shall receive the amount agreed to by the sum of Bank of America would have received had no such deductions been made; (ii) Applicant shall make such deductions; and (iii) Applicant shall pay the full amount deducted in one payment, without interest, without limitation, any Taxes imposed by any jurisdiction on amounts payable under or by this Section. (4)(ii) paid by Bank of America and any liability (including penalties, interest and expenses) arising therefrom shall be made within 30 days from the date Bank of America makes written demand therefor. Within 30 days after the date of such payment of Taxes, Applicant will furnish to Bank of America the original or a certified copy of a receipt reflecting payment thereof.

(e) This Application and Agreement shall be binding upon Applicant, its successors and assigns, and shall inure to the benefit of Bank of America, its successors, transferees and assigns; provided that any assignment by Applicant of any of its rights or obligations under this Application and Agreement without the prior written consent of Bank of America shall be void.

(f) Unless the Applicant has specified in the Application that the wording of the Letter of Credit must be exact, Applicant understands that the final form of the Letter of Credit may vary from the wording specified in the Application, and Applicant authorizes Bank of America to make such changes, not materially inconsistent with the Application, which Bank of America deems necessary or appropriate. Applicant understands that the risk to Applicant is greater if Applicant requests a standby letter of credit which requires only a draft, rather than a standby letter of credit which requires supporting documentation.

(g) In the event of any change of modification, with the consent of Applicant, which consists may be given by any means of submission acceptable to Bank of America, including without limitation, computer, telex, or by mail, relative to the Letter of Credit or any instrument issued hereunder, including any waiver made or by good faith believed by Bank of America to have been made by Applicant at any time hereof or the nonperformance of any such instrument with the terms of the Letter of Credit, this Application and Agreement shall be binding upon Applicant with regard to the Letter of Credit as so changed or modified, and to any action taken by Bank of America or any of its correspondents hereunder therefor. No term or provision of this Application and Agreement can be changed orally, but only in writing and signed by Applicant and Bank of America.

(h) Bank of America assumes no liability or responsibility for the consequences arising out of delay and/or loss or non-receipt of any message, letter or communication, or for delay, omission or other error arising in the transmission of any telecommunication, in so event that Bank of America has made for any special, indirect, consequential or exemplary damages.

(i) If Applicant includes in the Application any language describing terms or conditions that would not be possible for Bank of America to verify solely from the documents required to be presented under the Letter of Credit, Applicant acknowledges and agrees that Bank of America has no obligation to verify compliance with such requirements.

**NOTICE OF FINAL AGREEMENT.** THIS WRITTEN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

This Application and Agreement is executed by Applicant on

Name of Applicant  
W. R. Grace & Co. - Conn

By: Elyse Napier Filton Title: Agent/Treasurer

Name of Applicant (if any, co-signing with the Applicant above)

By: \_\_\_\_\_ Title: \_\_\_\_\_

(WHERE SPECIMEN SIGNATURES OF THE APPLICANT NAMED ABOVE ARE NOT ON FILE WITH BANK OF AMERICA, THE FOLLOWING SIGNATURE VERIFICATION IS REQUIRED.)

The above signature of the officer, partner or agent of each Applicant indicated above confirms to that on file with us and such officer, partner or agent is duly authorized to sign this Agreement for such Applicant.

By: Bank (Print Name) \_\_\_\_\_ (Bank Address) \_\_\_\_\_

Authorized Signature/Title (Specimen signature of the signatory must be on file with Bank of America)  
03-35-0521B 1-1-1996

FOR OFFICE USE ONLY	
99-35-0521B	<input type="checkbox"/> Trade Operations <input type="checkbox"/> Mail Control
CONFIRMATION	<input type="checkbox"/> For Signature Pay Proceeds <input type="checkbox"/> Other <input type="checkbox"/> Change Banking Center
	<input type="checkbox"/> Change Office <input type="checkbox"/> Disbursement and Charge <input type="checkbox"/> Drawings, Commissions and Charges
APPROVING OFFICER (Printed Name)	PHONE #
OFFICER TELEPHONE #	FAX #
ODA APPLICANT #	
APPROVING BANK OFFICER SIGNATURE	
CARRIER - OFFICE ADDRESS	
OFFICER NUMBER NO POST CODE	

DEC 19 2002 11:54 FR BANK OF AMERICA

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DATE SEPTEMBER 16, 2002

AMENDMENT TO IRREVOCABLE DOCUMENTARY CREDIT NUMBER 07404163

BENEFICIARY  
NATIONAL UNION FIRE INSURANCE CO.  
OF PITTSBURGH, PA  
AMERICAN HOME ASSURANCE COMPANY  
THE INSURANCE COMPANY OF THE STATE

APPLICANT  
W.R. GRACE AND CO. - CONN  
7500 GRACE DRIVE  
COLUMBIA, MD 21044

EXPIRY  
SEPTEMBER 15, 2003

DEAR SIR(S) .

THIS AMENDMENT IS TO BE CONSIDERED AS PART OF THE ABOVE LETTER OF CREDIT AND  
MUST BE ATTACHED HERETO.

THE ABOVE NAMED LETTER OF CREDIT IS AMENDED AS FOLLOWS:

VALIDITY EXTENDED TO: SEPTEMBER 15, 2003

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

BANK OF AMERICA

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FOR CASHIER

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FOR CASHIER

**Bank of America** 

PAGE: 1

DATE: SEPTEMBER 15, 2000

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: 7404163

BENEFICIARY  
NATIONAL UNION FIRE INSURANCE CO.  
OF PITTSBURGH, PA  
AMERICAN HOME ASSURANCE COMPANY  
THE INSURANCE COMPANY OF THE STATE

APPLICANT  
W.R. GRACE AND CO. - CONN  
7500 GRACE DRIVE  
COLUMBIA, MD 21044

OF PENNSYLVANIA  
COMMERCE AND INDUSTRY INSURANCE  
COMPANY  
AIU INSURANCE COMPANY

BIRMINGHAM FIRE INSURANCE COMPANY  
OF PENNSYLVANIA  
ILLINOIS NATIONAL INSURANCE COMPANY  
AMERICAN INTERNATIONAL SOUTH

INSURANCE COMPANY  
NATIONAL UNION FIRE INSURANCE  
COMPANY OF LOUISIANA  
AMERICAN INTERNATIONAL PACIFIC

INSURANCE COMPANY  
GRANITE STATE INSURANCE COMPANY  
NEW HAMPSHIRE INSURANCE COMPANY  
LANDMARK INSURANCE COMPANY,

AND ANY OTHER AFFILIATE OF ANY OF  
THESE, AS THEIR INTERESTS MAY  
APPEAR  
P.O. BOX 923

WALL STREET STATION  
NEW YORK, N.Y. 10268  
ATTN: MR. ART STILLWELL

AMOUNT  
USD 6,000,000.00  
SIX MILLION AND 00/100'S US DOLLARS

EXPIRATION  
SEPTEMBER 15, 2001 AT OUR COUNTERS

WE HEREBY ESTABLISH THIS IRREVOCABLE LETTER OF CREDIT IN FAVOR OF THE  
AFORESAID ADDRESSES ("BENEFICIARY") FOR DRAWINGS UP TO UNITED STATES  
DOLLARS 6,000,000.00 (SIX MILLION AND 00/100 UNITED STATES DOLLARS)  
EFFECTIVE IMMEDIATELY. THIS LETTER OF CREDIT IS ISSUED, PRESENTABLE  
AND PAYABLE AT OUR OFFICE AT 231 S. LA SALLE STREET, CHICAGO, ILLINOIS  
60697, MAIL CODE: ILL-231-17-00 AND EXPIRES WITH OUR CLOSE OF  
BUSINESS ON SEPTEMBER 15, 2001.

THE TERM "BENEFICIARY" INCLUDES ANY SUCCESSOR BY OPERATION OF LAW OF  
THE NAMED BENEFICIARY, INCLUDING, WITHOUT LIMITATION, ANY LIQUIDATOR,  
REHABILITATOR, RECEIVER OR CONSERVATOR.

WE HEREBY UNDERTAKE TO PROMPTLY HONOR YOUR SIGHT DRAFT(S) DRAWN ON  
US, INDICATING OUR CREDIT NUMBER 7404163, FOR ALL OR ANY PART OF THIS  
CREDIT IF PRESENTED AT OUR OFFICE SPECIFIED IN PARAGRAPH ONE ON OR  
BEFORE THE EXPIRY DATE OR ANY AUTOMATICALLY EXTENDED EXPIRY DATE.

Application and Agreement for Standby Letter of Credit  
TO: Bank of America, N.A. ("Bank of America")

L/CN- 7404163

A. Application.

1. W. R. Grace & Co. - Conn

("Applicant") requests Bank of America to issue an irrevocable standby letter of

Credit ("Letter of Credit") as follows:

☐ Full teletransmission

☐ Airmail with brief preliminary teletransmission advice

☐ Airmail

☒ Courier

2. Applicant Address:

3. Per Account of (Name and address, if different from Applicant):

W. R. Grace & Co. - Conn

7500 Grace Drive

Columbia, MD 21044

410-531-4000

4. Advising Bank:

5. In favor of (Beneficiary Name and Address):

See attached format

6. Amount: Six million dollars

(in words and figures)

( \$6,000,000 )

Currency United States Dollar

Expiration Date, Drafts to be drawn on and presented at Bank of America's Address set forth in the Letter of Credit on or before:

1 year after LC is issued

☐ If this box is marked, Applicant authorizes Bank of America to effect payment of any sums due under this Application and Agreement by means of debiting Applicant's account with Bank of America set forth below. This authorization does not effect the obligation of Applicant to pay such sums when due, if there are insufficient funds in such account to make such payment when due, or if Bank of America fails to debit the account, and this authorization does not affect any setoff rights of Bank of America at law or equity. Applicant's account number with Bank of America is \_\_\_\_\_

7. Available by drafts drawn at sight on Bank of America when accompanied by the following documentation:

1. The original Letter of Credit

2. The signed statement of the Beneficiary worded as follows (state wording that is to appear in the statement accompanying the draft. Specify if such wording must be exact): See attached format.

8. Special Instructions:

1 - also fax copy of final documents to attn: Ren Lapidario at fax# 410-531-4461

2 - part B of this Application and Agreement for Standby Letter of Credit is amended by the attached "Rider to Application and Agreement for Standby Letter of Credit made by W. R. Grace & Co. - Conn."

RELEASED

S. Perez

EP 9-15-00

Standby - Chicago

(a) Applicant shall pay Bank of America on demand all amounts paid by Bank of America under its responsibility of the Letter of Credit.

(b) On each pay payment date, as listed by any undrawn line, the Lender of Credit confirmed available, Applicant shall pay Bank of America a Letter of Credit for the amount of the pay payment date(s) as Applicant and Bank of America may agree, or in the absence of such agreement, the pay payment date shall be the date on which the Bank of America holds the Letter of Credit. The fee shall be as each pay payment date as Applicant and Bank of America may agree, or in the absence of such agreement, at the rate determined by Bank of America at the time such fee is payable, based upon Applicant's creditworthiness, as determined by Bank of America in its sole discretion. The applicable Letter of Credit fee shall be calculated and payable on the undrawn amount of the Letter of Credit as of each pay payment date, and shall be for the period commencing on such pay payment date and ending on the day preceding the next pay payment date for the expiration date of the Letter of Credit, as the case may be, both dates inclusive. The Letter of Credit fee will be computed on the basis of a 360-day year and actual days elapsed. Bank of America shall be required to refund any portion of the Letter of Credit fee paid for any period during which the Letter of Credit applies or otherwise terminates, or (b) the undrawn amount of the Letter of Credit is reduced by drawings or by amendment.

(c) Applicant shall pay Bank of America, on demand, commissions and fees for amendments to, payments under, extensions or cancellation of the Letter of Credit and other services in the amount Applicant and Bank of America may agree, or, in the absence of such agreement, in the amounts customarily charged by Bank of America on the date of Bank of America's demand.

(d) All payments and deposits by Applicant under this Application and Agreement shall be made at the banking office or office Bank of America may designate from time to time in U.S.A. Bank of America shall have no obligation to Applicant for payment on demand by Applicant under the Application and Agreement.

(e) If all payments are payable to Applicant under the Letter of Credit in U.S. Dollars, then the currency in which the Letter of Credit is payable, except that Bank of America may, at its option, require payments and deposits by Applicant under this Application and Agreement to be made in U.S. Dollars if the Letter of Credit is payable in a foreign currency.

(2) The amount of each payment and each deposit by Applicant under this Application and Agreement in U.S. Dollars for a Letter of Credit payable in a foreign currency shall be determined by converting the relevant amount in U.S. Dollars at the Conversion Rate in effect

(B) With respect to each payment (if not falling under the preceding clause (A)) and each deposit on the basis of Bank of America's demand for such payment or deposit:

(ii) If U.S. Dollar deposit by Applicant under this Application and Agreement for a Letter of Credit payable in a foreign currency becomes less than the U.S. Dollar equivalent of the undrawn amount of the Letter of Credit because of any variation in value of exchange, Applicant shall deposit with Bank of America, on demand, additional amounts in U.S. Dollars so that the total amount deposited by Applicant under this Application and Agreement is not less than the U.S. Dollar equivalent of the undrawn amount of the Letter of Credit, determined by using the Conversion Rate on the date of Bank of America's latest demand.

(iv) "Conversion Rate" means the rate quoted by Bank of America for the purchase from Bank of America of the relevant foreign currency with U.S. Dollars.

1. Any conditional reimbursements or commitments by Bank of America, on demand, for all costs incurred, expenses, suitings and payments made by Bank of America which are applied or allocated by Bank of America in the Letter of Credit (as determined by Bank of America) by reason of any and all present or future reserves, interest, expense, maintenance or similar requirements, or (or against any class of or classes of or in the event of) default or defaults, or commitments, or extensions of credit by Bank of America.

[illegible]

2. **Deposit Closes.** Upon the occurrence of any of the following events, Applicant shall deposit with Bank of America an amount (except that such demand shall not be required in the event of an occurrence which is in his job) and on such security for Applicant's obligations to Bank of America which is the condition and agreement on which it agreed to the withdrawal amount of the letter of credit.

(b) Applicant certifies under any provision of the Application and Agreement that:

- (i) Any harassment or similar proceeding is commenced with respect to Applicant;
- (ii) Any default occurs under any other instrument involving the borrowing of money or the extension of credit under which Applicant may be obligated as borrower, guarantor, provider or guarantor, if such instrument obligates the parties to pay any indebtedness when due or if such default results or causes the violation of any indebtedness or the termination of any commitment to lend or to extend credit;

(f) Applicant or any of its affiliates defaults on any other obligation to Bank of America.

(g) Any court order, injunction or other legal process is hereby restraining or binding to restrain  
ing or payment under this Letter of Credit.

2. Change or Account: If Bank of America is unable to debit the account, it may, at its option, Apportion to another Bank of America in charge any of Applicant's accounts with Bank of America, or any affiliate of Bank of America, for all amounts then due and payable to Bank of America under Application and Agreement.

(2) Applicant will immediately and hold Bank of America (Dallas) (or its branches) for payment of this

[illegible]

(b) In any award, judgment or order as given or made for the payment of any principal due under Application and Agreement, interest shall be added to the principal sum awarded or ordered. Application and Agreement shall be deemed to be assigned to the Bank of America and its successors and assigns in the event of any award, judgment or order as given or made for the payment of any principal due under Application and Agreement. Applicant shall indemnify and hold the Bank of America harmless from and against all losses, damages, costs and expenses, including reasonable attorneys' fees, which the Bank of America may incur in connection with the enforcement of its rights under Application and Agreement. Applicant shall also indemnify and hold the Bank of America harmless from and against all losses, damages, costs and expenses, including reasonable attorneys' fees, which the Bank of America may incur in connection with the enforcement of its rights under Application and Agreement.

5. Governing Law and Venue. The Letter of Credit will be subject to, and interpreted under the Letter of Credit by Bank of America, its correspondents, and the beneficiary will be governed by, the "International Uniform Practice Rules" ("IUPR") of such letter of credit as may be established by the Institute of International Banking Law & Practice, subject to applicable laws. The Letter of Credit and this Application and Appraisal shall be governed by and construed under the laws of the state in the United States where Bank of America issues the Letter of Credit, without reference to that state's provisions regarding conflicts of laws, to the jurisdiction of which said parties hereto submit. If the Letter of Credit is issued in any city in the State of California it shall govern.

6. Applicant's Name. The word "Applicant" in this Application and Agreement refers to each signer (other than Bank of America) of this Application and Agreement. If this Application and Agreement is signed by more than one Applicant, their obligations under this Application and Agreement shall be joint and several.

7. Representation and Warranty. Applicant represents and warrants to Bank of America that it is the authority to enter into this Application and Agreement and it will not violate or conflict with any of the provisions or the covenants, conditions or any other agreement or undertaking to which it is a party or to which it is bound.

8. Entire Agreement.

(b) No delay, restriction of time, release, compromise or other indulgence which may accrue or be granted by Bank of America shall impair the rights and powers of Bank of America hereunder. Bank of America shall not be deemed to have waived any of its rights hereunder, unless Bank of America shall have signed such waiver in writing.

(D) Applicant must Bank of America to Applicant's favor of bank for the address of Applicant and for the Applicant and shall be effective upon receipt by Applicant. Any notice from Applicant to Bank of America shall be sent to the address of Bank of America specified by Bank of America to Applicant and shall be effective upon receipt by Bank of America.

(7) Each provision of this Application and Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Application and Agreement cannot be enforced under applicable law, such provision shall be inoperative only to the extent that such provision or its effect, without invalidating the remainder of such provision or the remaining provisions of this Application and Agreement.

(c) Any and all payments made to Bank of America hereunder shall be made free and clear of and without deduction for any present or future taxes, levies, imposts, deductions, charges or withholdings, and all claims with respect to taxes, including income or branch taxes imposed by the United States and any foreign jurisdictions thereof (such non-deductible taxes being herein called "Taxes"). If Applicant shall be advised by law to deduct any Taxes, then or in respect of any sum payable hereunder, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions for income or additional taxes payable under the Section (d)), the Bank of America shall receive an amount equal to the sum of all amounts which have previously had no such deductions being made; (ii) Applicant will make such deductions; and (iii) Applicant shall pay the full amount deducted to the relevant authority in accordance with applicable law. Applicant will indemnify Bank of America for the full amount of Taxes paid hereunder, without limitation, any Taxes imposed by any jurisdiction on amounts payable under this Section (c) to the Bank of America and any liability including penalties, interest and all expenses) which Applicant has or may incur, whether or not such Taxes were directly or legally assessed. This indemnification shall be made within 30 days from the date Bank of America makes within demand therefor. Within 30 days of the date of any payment of Taxes, Applicant will furnish to Bank of America the original of a certified or a legally attested payment receipt.

(d) THE APPLICANT AND AGREEMENTS shall be binding upon Applicant, its successors and assigns, and upon the Bank of America, its successors, trustees and assigns, provided that any rights by Applicant of any of its rights or obligations under the Application and Agreement without the written consent of Bank of America shall be void.

[illegible]

(g) In the event of any change or modification, with the consent of Applicant, which consequently may be by any means of submission acceptable to Bank of America, including, without limitation, computer, print or radio, relating to the Letter of Credit or any instrument issued for a transaction, including but not limited to any credit card used by Applicant, Bank of America may require that the Letter of Credit be amended or replaced, and that the Applicant be advised in writing of such change or modification. The Applicant agrees to accept such change or modification, and to indemnify and hold Bank of America harmless from and against all claims by Bank of America or any of its counterparties, including those of an actual or potential third party, arising from or in connection with such change or modification, but only in writing and signed by Applicant and Bank of America.

(f) Bank of America disclaims the liability or responsibility for the consequences arising out of and only from the use of any knowledge, false or misrepresentation, or the policy, institution or other error resulting in violation of any law, regulation, or in an event which Bank of America has failed to fully identify, disclose, quantify or exemplify damages.

(7) If Applicant includes in the Application any language describing events or conditions that would preclude for Bank of America to verify solely from the documents required to be presented under the Credit Application Acknowledged and agrees that Bank of America has no obligation to verify since with such requirements.

NOTICE OF FINAL AGREEMENT. THIS WRITTEN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

This Application and Agreement is executed by Applicant on Exp. 13, 00

03-34-0218:		FOR OFFICE USE ONLY	
<input type="checkbox"/> Trade Operations <input type="checkbox"/> For Standard Fee Service <input type="checkbox"/> Charge Directly		<input type="checkbox"/> Other <input type="checkbox"/> Domestic and Int'l Charges only <input type="checkbox"/> Charge Banking Customer <input type="checkbox"/> Overdraft, Overstatements and CHIPS	
APPROVING OFFICER (Printed Name)		PHONE #	
OFFICER TELEPHONE #		FAX #	
DOA APPLICANT A/C #			
APPROVING BANK OFFICER SIGNATURE			
OFFICER - INTEROFFICE ADDRESS			
OFFICER NUMBER AND GOVT CENTER			